

Board of Contract Appeals

General Services Administration
Washington, D.C. 20405

October 22, 2004

GSBCA 16441-RELO

In the Matter of LINDA LITTLE

Linda Little, Canton, GA, Claimant.

Mary Lanham, Chief, Travel Payments Section, Program Support Center, Department of Health and Human Services, Rockville, MD, appearing for Department of Health and Human Services.

DANIELS, Board Judge (Chairman).

The Department of Health and Human Services (HHS) transferred Linda Little to a new permanent duty station in February 2004. Ms. Little bought a house to serve as her residence at the new location and asked HHS to reimburse costs she incurred in making the purchase. The agency paid for most of the costs, but declined to pay for others. Ms. Little challenges HHS's determination not to reimburse her for three of the costs.

One of the three is no longer at issue. HHS has agreed to pay for the loan origination fee Ms. Little incurred on her second mortgage, as well as the loan origination fee she incurred on her first mortgage.

Remaining before us is the employee's claim for reimbursement of the fees she paid for a home inspection and a radon inspection prior to buying the house. Ms. Little explains, "I have relocated for the benefit of the government three times during my career. I have discovered major construction flaws and deadly levels of radon in the process. I chose to have a home inspection and radon inspection this time prior to the purchase to avoid costly repairs and radon remediation."

Whether paying for these inspections was prudent, as argued by the employee, is irrelevant to the question of whether the fees for those inspections are reimbursable. As the agency recognized, the latter question is answered by the Federal Travel Regulation. That regulation, at 41 CFR 302-11.200(f)(11), provides that "[e]xpenses in connection with environmental testing and property inspection" are reimbursable only when they meet all three of the following tests: the fees must be (a) customarily paid by the purchaser of a residence in the locality in question, (b) in an amount no greater than is customarily paid in

that locality, and (c) required by federal, state, or local law, or by the lender as a precondition to the purchase. Michael Cutaia, GSBCA 16271-RELO, 04-1 BCA ¶ 32,519 (2003); Verna Pope, GSBCA 15718-RELO, 02-1 BCA ¶ 31,822; see also Jack E. Hudson, GSBCA 16053-RELO, 03-2 BCA ¶ 32,351; David P. Brockelman, GSBCA 14604-RELO, 98-2 BCA ¶ 29,971. Ms. Little has not shown that the home inspection and radon inspection fees were required by federal, state, or local law, or by the lender as a precondition to the purchase. Because one of the three necessary tests has not been met, reimbursement of these fees is not permissible.

STEPHEN M. DANIELS
Board Judge